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SUBJECT: ECUADOR CHILD LABOR UPDATE

REF: A. SECSTATE 163453

[B](#). 03 QUITO 02567

[1](#)1. (U) Summary. Child labor remains a major problem in Ecuador. However, the GoE, NGOs and other institutions are taking steps to combat worst forms of child labor in Ecuador. More clearly needs to be done, particularly in the enforcement of child labor laws and the rehabilitation of child laborers. This cable provides an update on child labor information in Ecuador, as required for Trade and Development Act reporting requirements (Ref A), and updates our previous report (Ref B). End Summary.

#### The Problem

[1](#)2. (U) According to a study released by UNICEF in March 2004, 755,753 children work full-time in Ecuador. Thirty-nine percent of these children do not attend school. Of these, UNICEF estimates that 44% of these children began working between ages 10 and 14 and 70% do not reach secondary school. At least 71% live in rural areas, and work in agriculture. Sixty-six percent of children in Ecuador live in poverty. Geographically, 65% live in the Sierra, 25% on the coast and 10% in the Amazon region. Minister of Labor Izurieta told a visiting US labor delegation on September 1 that his Ministry's estimate for child labor is much lower, around 300,000. Union representatives, meanwhile, put the number at 1.2 million.

#### New Child Labor Division Created

[1](#)3. (U) In July 2004, the Ministry of Labor created a Division for Child Labor comprised of three officers, augmenting the previous single position for Child Labor, which was also responsible for International Affairs. The Division meets at least monthly with the MOL and the inter-agency National Committee for the Progressive Eradication of Child Labor.

#### Inspections

[1](#)4. (U) On May 25, 2004, the MOL hired eighteen new child labor inspectors, bringing the total nation-wide to 19. Each inspector is assigned to a different province. The MOL told a visiting U.S. delegation on September 1 that three inspectors would soon be hired to meet the GoE's legal requirement for at least one child labor inspector in each of Ecuador's 22 provinces. The monthly salary of a child inspector is approximately \$460.

[1](#)5. (U) According to ILO/IPEC, the inspectors have found 500 child laborers in the field. According to the MOL, a member of civil society always accompanies each inspector as a check against corruption. Currently, inspections are directed mostly at the larger banana plantations of over 30 hectares. Some employers reportedly fire child workers when they hear that inspectors are coming.

[1](#)6. (U) On August 18, 2004, the MOL held a one-day workshop for child labor inspectors. Sixteen inspectors attended; some reportedly paid their own transportation expenses to attend. A ninety-page inspection manual developed by UNICEF and the government-supported Institute for the Child and Family (INNFA) was distributed and reviewed with the inspectors. The manual targets inspections in the banana sector, and also has a section on issues specific to the growing cut-flower sector.

[1](#)7. (U) Inspectors lack adequate budgetary support for offices, computers and transportation. Currently, INNFA is loaning the MOL some offices and cars for use by the inspectors. Banana plantation owners also occasionally provide transportation. While inspections are not announced, employers can suspend the use of their vehicles at will, and did so in June. Therefore, most child labor inspections are carried out in urban areas, where public transportation is available. The MOL claims more money will be allocated for inspections in the 2005 budget proposal.

[1](#)8. (U) Nation-wide the budget for child labor is \$465,000. Of this amount, \$300,000 went to the Ministry of Social Welfare and still has not been spent, \$25,000 to the MOL, and \$140,000 is for the inspectors' salaries. According to the

MOL, it has received only \$16,000 of the \$25,000 allotment.

19. (U) Meanwhile, INNFA receives \$3.5 million to work with 25,000 children. Part of INNFA's work has been to address the problem of child labor in the flower sector. In the cut-flower sector, there has been an intensification of the information and awareness campaigns. INNFA has provided information on child labor to all the major flower producers (about 400), and believes the incidence of child labor in this sector is decreasing.

#### New ILO/IPEC Program Launched

10. (U) The ILO/IPEC program began a child labor Time-Bound Program (TBP) in October 2003. They have conducted guideline studies of the banana, flower, construction, commercial sex exploitation of minors, trash and mining sectors. The ILO provides \$2 million dollars in funds for the 3-4 year TBP; this amount is matched by the Ecuadorian government. Action plans for each sector aim to get children out of work and back in school. IPEC will work with the MOL, NGOs and the inspectors to meet this goal. The ILO's mining program ended in March 2004 so mining will not be included in the TBP.

#### USDOL Program

11. (U) USDOL Bureau of International Labor Affairs has awarded a \$3 million project to Catholic Relief Services to improve access to quality education in Ecuador as a means to combat child labor. The program will target children and adolescents ages 5-15, giving special attention to at-risk groups including girls and indigenous children.

#### Child Worker Program

12. (U) The Child Worker Program funded by the Central Bank of Ecuador, has developed a workshop program called "Panita" which meets three times a week to promote civic values and to work with families and schools on the issue of child labor. There are Panita centers in Quito, Guayaquil, Ambato, Lago Agrio and Porto Viejo. In addition, the Child Worker Program is also planning a community ombudsman program to hire a community group to receive and act on reports of child labor. A similar program has been successful for domestic child abuse in 300 communities. The Central Bank provides \$200,000 annually for the Child Worker Program in Quito and ten other cities.

#### Rehabilitation

13. (U) The Ministry of Social Welfare received \$300,000 from the national budget in 2004 for scholarships, professional development, and community workshops to combat child labor. However, the Ministry has yet to spend this money. Meanwhile, Bell South provides scholarships to 500 children a year through its School Insertion Plan, to help defray fees that discourage school attendance.

#### Legal Issues

14. (U) The labor code needs to be harmonized with the Code for Children and Adolescents (passed by Congress in December 2002), which sets higher standards. The Child and Adolescents Code raised the fine for child labor violations to \$200 to \$1000; the Labor Code fine remains 50 sucres. The minimum work age is 12 for work as domestics or artisans, and 14 for all others, while in the Child Code it is fifteen for all. In September, the National Committee for the Progressive Eradication of Child Labor will be making this Labor Code reform proposal to Andres Paez, head of the Labor Commission in Congress and will follow up with lobbying.

#### Comment

15. (SBU) While disparities exist on the extent of the child labor problem, the GoE took some positive steps to combat child labor this year. Still, more needs to be done. While some laws have been improved, enforcement is still lacking. Ministry of Labor inspectors clearly need more resources and training to carry out their duties. Also, more needs to be done to rehabilitate former child workers, particularly by the Social Welfare Ministry, which has not spent funds it has for this purpose. Finally, labor code reform is necessary to bring the code into agreement with the Code on Children and Adolescents. We will report SepTel on prospects for labor code reform and progress in child labor inspections in the banana sector, as reported to the recent U.S. FTA labor delegation.

KENNEY